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***What Is a “Case” in Post-Reform Wisconsin?  
Reconciling Caseload with Workload***

*A White Paper Prepared for the Wisconsin  
Department of Workforce Development*

by Rebecca Swartz

2001

Hudson Institute  
Welfare Policy Center

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***What Is a “Case” in Postreform Wisconsin?  
Reconciling Caseload with Workload***

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## **I. INTRODUCTION: WHY CHANGE THE DEFINITION OF THE WELFARE CASELOAD?**

Over the past 10 years, Wisconsin has seen a dramatic drop in its official welfare caseload. In 1987, that caseload was almost 100,000. It is now around 6,500, a decline of 93 percent. (See Figure I-1.) Under the state's major welfare reform program, Wisconsin Works (W-2), the welfare cash caseload fell faster than anyone, including the most optimistic observers, expected. Or has it? Consider the following: In 1995, the total number of Wisconsin cases receiving cash assistance, child care, food stamps, Medicaid, assistance to care for a related or disabled child, or some form of case management services was approximately 118,595. In 2000, the number receiving at least one of those same services was 114,725, a drop of only 3 percent.

Clearly, a clarification is needed here. How one defines a "caseload" can radically change perceptions of the work done by state and local human service agencies, or the agency "workload." This is not just a matter of semantics. More closely reconciling the definition of a "caseload" with the realities of agencies' goals and services has important implications for local agencies, for the state, and for the federal government. In sum, a more accurate caseload definition will help to:

1. ***Legitimize and Institutionalize State Priorities.*** This exercise includes clearly defining the target population for services and determining who in the target population should be counted and how they should be counted.
2. ***Better Evaluate W-2 Agency Performance.*** Once the target population is clearly defined, the state can set up appropriate tracking systems to ensure that the 72 W-2 agencies across the state are serving that target population.
3. ***Inform State Legislature.*** Some policymakers, legislators, and members of the general public see the decline of the traditional caseload as a reason to declare victory. They need better information on the workload involved in attaining the original mission of W-2—helping families reach and sustain self-sufficiency through work. This information will help them make crucial decisions on the future funding of social services in the state.
4. ***Inform Congress.*** At the federal level, the stakes are even higher. With Temporary Assistance for Needy Families (TANF)—the program created by the 1996 federal welfare reform legislation—up for reauthorization in 2002, states need to show how TANF grants have been put to good use or risk losing valuable funding.<sup>1</sup>

### **A. Goals and Definitions Don't Match**

When most people talk about the "welfare caseload" they mean the number of families receiving cash assistance. Under Aid to Families with Dependent Children (AFDC), a cash grant was often the ticket to other supportive services such as Food Stamps and Medicaid, child care and transportation assistance, and education and training. Although families were not required to receive AFDC first, supportive services were focused on serving those on welfare. As a result, the AFDC case count was a good proxy for the number of families receiving a wide range of services.

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<sup>1</sup>TANF funding provided to state Departments other than the Department of Workforce Development is not discussed in this paper.

Keeping this definition has had two advantages. First, the number of families receiving a cash grant is easy to count since all such families are in the state's computer system. Second, it is easy to understand since it is the same definition used under AFDC. For these two reasons, the federal government, state governments, the media, and the general public have held onto this definition despite the fact that it no longer reflects the goals of the new welfare programs or the workload involved in meeting those goals.

The passage of the landmark Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which ended the AFDC entitlement program and replaced it with TANF, changed the goals of the welfare system. The goal of AFDC was to provide accurate and timely cash payments. The goals of TANF are much broader—to assist needy families, end dependency by promoting work and marriage, reduce out-of-wedlock births and encourage two-parent families. (See sidebar.) In contrast to AFDC, which was governed by strict rules and regulations set at the federal level, TANF provides the basic framework through these four purposes or goals and allows states to create their own programs within that framework. Despite these wider goals, the federal definition of a TANF assistance case is limited to those receiving a cash grant. Thus the federal government limits its reporting requirements and performance criteria to these cash assistance cases and effectively disregards the noncash services provided by states.

These noncash services are particularly important in Wisconsin. W-2 was one of the first state TANF programs to shift from an income-support program to a work-support strategy. Supportive services are now targeted to low-income working parents. Moreover, the boundaries of the working poor have extended to include a new group of quasi-working poor—those still on cash assistance but participating in work activities in exchange for their cash grant. Although not technically the “working poor,” these parents do not seem to fit the old definition of welfare recipients. They are something new. They are W-2 participants, not AFDC recipients. As a result, it is no longer clear who is “on welfare.” No one seems to be, at least not on the kind of welfare provided under AFDC. At the same time, however, everyone (or at least the working poor) seems to be eligible for some supportive services.

Although Wisconsin changed its policies to focus on the working poor in accordance with the first two purposes of TANF, it did not systematically change its definition of “caseload” to match these new goals. Since W-2's implementation in September 1997, there has been much confusion over how to define a W-2 case. Some define W-2 broadly to cover all the programs and services included in the W-2 agency contracts—including child care assistance, case management services for those without a cash grant, and sometimes the Workforce Attachment and Advancement (WAA) program, which provides employment services to the working poor. Others define W-2 narrowly to include only those receiving cash assistance. The broad definition, although favored by some close to the program, is not widely understood by the general public.

A further complication is the fact that Wisconsin politicians and policymakers, like those in many other states as well as former President Clinton, have pointed to the rapid decline in the cash caseload as a mark of the success of welfare reform. In the early days of Wisconsin welfare reform, the state made a push to move the most employable into work quickly, to free up funds for the intensive interventions needed to help the less employable find work. Moreover, the initial Right of First Selection criteria established to determine W-2 agency contractors were heavily weighted on caseload reduction, as were the profits from the first round of contracts.

#### **THE FOUR PURPOSES OF TANF\***

- 1) Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- 2) End the dependence of needy families on government benefits by promoting job preparation, work, and marriage;
- 3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for prevention and reducing the incidence of these pregnancies; and
- 4) Encourage the formation and maintenance of two-parent families.

\*Public Law 104-193. Sec. 401(a).



To some outside observers, the decline in cash assistance cases in Wisconsin signals a decline in workload. This old definition of caseload, however, does not account for the shifts in policy and practice that occurred with the implementation of W-2. Nor does it include the efforts to further expand services to working parents that appeared in the 1999 biennial budget. Programs, such as WAA, are additions to the W-2 program and, as such, operate somewhat outside of the W-2 framework. The result is multiple programs with different target groups and accounting measures operating simultaneously. As shown in Figure I-2, Wisconsin has a series of overlapping programs designed to help different sub-groups of the low-income population. Without an overriding vision, these programs needlessly overlap and present the opportunity for gaps in services. They also further confuse the questions of “caseload,” target groups and mission.

## ***B. Outline of Paper***

Section II provides a closer look at the philosophy and policies of AFDC and W-2 and outlines the changes in the AFDC/W-2, child care assistance, Food Stamp and Medicaid case counts over the past five years. Section III compares the caseload to the workload of W-2 agencies. Section IV concludes the paper by providing some steps for reconciling workload with caseload.

## **II. PHILOSOPHY AND CASELOAD**

It is almost a cliché to say that the “face of welfare” has changed in the past five years. It seems obvious. But the depth of that change and its ramifications for agency operations are not well known.

### ***A. Principles Underlying AFDC***

AFDC was first and foremost an income transfer program, administered by local county human service agencies. The goal of AFDC was to provide cash grants accurately and efficiently. Successful counties under the AFDC system had very low administrative costs. These counties could keep their costs low because caseworkers had minimal contact with their cases outside the six-month eligibility review, which was fairly straight straightforward and based almost exclusively on financial criteria. In fact, the AFDC manuals provided a “logic flow” for caseworkers—if the situation is A, you must do X, if the situation is B you must do Y. This left individual eligibility workers with little to no discretion and little reason to interact with clients.

Although AFDC did have a work component—the Jobs Opportunity and Basic Skills Training Program (JOBS)—roughly half of all AFDC clients nationwide were exempt.<sup>2</sup> Exemptions included caring for a young child, living in a remote location or attending school, and being ill or incapacitated (a designation liberally applied at the time). Moreover, many nonexempt clients were ultimately not required to participate because JOBS and/or child care assistance funding were insufficient. In 1995, 37 percent of the AFDC caseload in Wisconsin was participating in JOBS; this was significantly higher than the national average of 16 percent, but low compared to the W-2 goal of 100 percent engagement.<sup>3</sup>

Not only were employment services scarce, so were supportive services. Federal and state governments tried to restrain the costs of supportive services by targeting them to the truly needy, i.e., those on AFDC. While non-AFDC families were eligible to receive support programs, like Medicaid, child care assistance

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<sup>2</sup>Bell, Stephen and Toby Douglas, “Making Sure of Where We Started: State Employment and Training Systems for Welfare Recipients on the Eve of Federal Reform.” Urban Institute, Occasional Paper Number 37. April 2000.

<sup>3</sup>Bell and Douglas, “Making Sure of Where We Started.” It is important to note that the JOBS participation figure from 1995 used all AFDC cases, including child-only cases, in the denominator. Subtracting the child-only cases, the percent of non-child-only AFDC cases active in the JOBS program was roughly 43 percent.

and Food Stamps, agencies were focused on families already receiving a welfare check.<sup>4</sup> JOBS employment services were only available to those first receiving an AFDC grant.

In the pre-W-2 welfare era, defining the family caseload was fairly straightforward—anyone receiving an AFDC check.

### **B. Wisconsin's New Philosophy**

W-2—the state's primary TANF program—turned the old welfare system on its head. It is first and foremost a work-support program, not an income-transfer program. Eligibility for W-2 services is contingent on applicant willingness to work or participate in appropriate activities that move them toward the goal of work. All those receiving cash assistance must participate. The only exception to this rule is for parents of infants under 12 weeks of age, whose activity is to care for their child.

As Wisconsin's philosophy toward individuals accessing services has evolved, so have the terms used to describe them. (See Terminology sidebar.) AFDC parents were first considered "recipients" because their primary role was to receive cash assistance. The early welfare reforms in the late 1980s and early 1990s sought to make these same parents "clients" to lessen the stigma of welfare receipt. With W-2 came the shift to "participants" because parents on assistance are now required to participate in exchange for their benefits. As more parents move into the workforce, Wisconsin is beginning to approach "families" more holistically to resolve any barriers to parent success in the workplace, including more general family issues, such as a troubled teenager or an abusive boyfriend.

#### **Evolution of Terminology**

|                   |   |                |   |                     |   |                 |
|-------------------|---|----------------|---|---------------------|---|-----------------|
| <b>Recipients</b> | ⇒ | <b>Clients</b> | ⇒ | <b>Participants</b> | ⇒ | <b>Families</b> |
| 1960-1990         |   | Early 1990s    |   | Late 1990s          |   | 2000            |

Under W-2, supportive services are targeted to the working poor as well as to those receiving cash assistance. Case management services, for example, are available without a cash grant, as are other supportive services like transportation and child care assistance, which were previously focused on welfare families. In addition, Wisconsin is making efforts to use the federal Food Stamp and Medicaid entitlement programs as important work supports for low-income families not receiving W-2.

These policy changes prompted larger systematic changes. As a state, Wisconsin has raised the bar for its expectations of the welfare system—it has moved from providing benefits accurately to helping families become economically self-sufficient. These new expectations shifted the measure of success from an efficient bureaucratic *process* to effective agency *outcomes*. Although the Wisconsin Legislature and the Department of Workforce Development provide the framework for operating W-2, the 72 W-2 agencies have significant latitude in how they operate the program. As contractors, however, they are subject to the following performance criteria:<sup>5</sup>

- labor market success of former participants (wage rate, job retention rate, and whether the job offers health insurance);
- the ability of agencies to engage their cash assistance participants (participation activities, educational activities); and

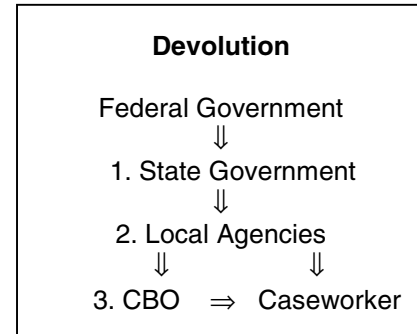
<sup>4</sup>Beginning in the 1980s, Wisconsin began to expand Medicaid eligibility to cover more low-income children whose parents were not on cash assistance. Wisconsin recently expanded eligibility for low-income working parents through the BadgerCare program.

<sup>5</sup>The first round of contracts from March 1997–December 1999 did not have performance criteria. The criteria listed here are for the January 2000–December 2001 contracts.

- two bonus criteria—contracting with faith-based organizations and successful completion of basic skills/job skills training.

Through this contracting process, Wisconsin has achieved third-order devolution. (See Devolution sidebar.) The federal government devolved authority for designing and implementing welfare reform to the states through the TANF block grant. Wisconsin, using a contracting process, devolved implementation of its major TANF program (W-2) to a mix of public and private agencies. In turn, many agencies have devolved significant authority to local community-based organizations (CBOs) as well as devolving significant authority to individual caseworkers.

Wisconsin is one of the first states to experiment with this third order of devolution. Although a few states have devolved policy-making authority to their counties, what makes Wisconsin unique is its combination of major statewide policy change and contracts with private as well as public agencies. Contracting during such a dynamic period makes the state's definitions of caseload and workload even more important not only for the W-2 agencies subject to sum-certain (capped) W-2 contracts but also for the state which is responsible for outcomes controlled through these contracts.



DWD primarily uses its automated eligibility system, Client Assistance for Re-employment and Economic Support (CARES), to monitor W-2 agency performance. Based on information entered by the W-2 caseworker, CARES determines eligibility for W-2 services, food stamps, Medicaid, and child care assistance and maintains case notes. DWD uses reports based on CARES data to track the progress of W-2 agencies for the right of first selection process, and for determining Community Reinvestment funds as well as performance bonuses. But as described below, W-2 agencies are administering a series of programs with different target groups, eligibility criteria and reporting requirements, some of which are tracked in CARES, others of which are not.

### ***C. What is the New Caseload?***

Unlike the TANF cash assistance programs in many other states, Wisconsin's W-2 TANF program is not a slightly modified AFDC program. When the W-2 program was designed, policymakers threw out the old mold and built a program based on new basic principles. (See W-2 principles in Appendix A.) Wisconsin expanded both the types of services provided and the groups of participants served. (See Figure II-1 for a visual depiction.) Specifically:

- (1) some participants have shifted to new programs;
- (2) some original services are extended to new groups of participants;
- (3) new services are provided to these new participants; and
- (4) the services offered to the original participant base have intensified and expanded.

As a result of these changes, policymakers can no longer use receipt of cash assistance as a proxy for measuring overall reliance on government assistance. And, as discussed in the following pages, many of the new services and new families served by W-2 agencies are not reflected in the standard definition of "caseload." Specifically, W-2 contracts cover a wide range of services that are not counted in the standard W-2 caseload numbers and are not reported to the federal government. Table II-1 compares the definition of a welfare case under AFDC, the common definition of a welfare case under W-2, the definition of a TANF "assistance" case used in federal performance measures, and the types of clients W-2 agencies are required to serve under their contract.

**1. *Some participants have shifted to new programs:*** Wisconsin created two new programs to serve the former “child-only” AFDC cases that did not fit into the W-2 work philosophy. The Caretaker-Supplement (C-Supp) program serves children whose parent(s) receive Supplemental Security Income (SSI) and are by definition unable to work due to illness or incapacity. Kinship Care serves children living with non-legally responsible relatives such as a grandmother or aunt, who is doing a service to the community by caring for a child that would otherwise enter the foster care system.

Although these separate programs are funded with TANF dollars, they are administered by the Department of Health and Family Services (not DWD) at the state level and by county human services agencies at the local level. Neither child-only program has a time limit or a work requirement. Although the cases are counted in the total TANF caseload for federal reporting requirements, they are not included in the TANF work participation rate calculations.

C-Supp and Kinship Care cases are not generally included in the W-2 case counts presented by DWD, since the responsibility for these programs is not included in the W-2 contract. However, DWD now includes these cases in the total TANF assistance case counts, in response to federal regulations. These cases were not included in the total TANF assistance count in the past because C-Supp and Kinship Care have their own eligibility and reporting systems outside the CARES system. By not including these cases, the caseload decline in Wisconsin has often been overstated. As described in Section II. D, the “child-only” caseload remained fairly steady over the past five years, although it has increased from 15 percent of the total cash assistance count in 1995 to 63 percent of the total cash assistance count in 2000.

**2. *Original services are extended to new groups of participants:*** Work, not welfare, is now the gateway to supportive services. Whereas supportive services such as Food Stamps and Medicaid were always available to low-income families regardless of AFDC participation, these services were targeted toward those on cash assistance. In recognition that working poor families need supportive services, the original design of W-2 included an extension of child care assistance and Medicaid services to low-income working parents. The extension of child care assistance was implemented before W-2 began, but the state did not implement BadgerCare—the program which extends Medicaid to low-income working parents—until July 1999 because of delays in federal approval for the program. Both programs serve families up to 200 percent of poverty, or \$28,300 for a family of three, with a copayment for some families. (Eligibility for food stamps extends to about 130 percent of poverty, whereas eligibility for W-2 cash assistance extends to 115 percent of poverty.)

Since food stamps and Medicaid are federal entitlements outside of the TANF program, these programs are not often included in the overall caseload counts by both the federal and state governments. Families in need of these services, however, are served by the W-2 agency and all Food Stamp and Medicaid cases are entered into the CARES system.<sup>6</sup> Private W-2 agencies must provide for Food Stamp and Medicaid eligibility determination through a subcontract with a state or local government agency because federal regulations restrict eligibility determination for entitlement programs to public agencies. W-2 agencies are also responsible for providing Food Stamp Employment and Training (FSET) program services. At any point in time, roughly 8 percent of all nonelderly, nondisabled Food Stamp adults statewide—4,200 people—are participating in FSET activities, which are similar to but not as broad as those provided under W-2. Turnover in the FSET program is fairly high as participants move in and out of employment and cash assistance. Because the FSET program is considered an important service to low-income parents looking for employment, FSET cases are included in the W-2 performance criteria for agency contracts.

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<sup>6</sup>Non-W-2-related individuals (elderly and disabled individuals without dependent children as well as able-bodied adults without children) are served by the local county human services agency, which may or may not be the W-2 agency.

**Table II-1: What is a Welfare Case?**

|  | <b>Old AFDC Caseload</b>      | <b>W-2 Caseload</b> | <b>TANF Caseload<sup>a</sup></b>          | <b>W-2 Contract<sup>b</sup></b>   |
|--|-------------------------------|---------------------|---|-----------------------------------|
| <b>Cash Grant</b> (Trial Job, CSJ, W-2 T, Caretaker of an Infant)  | Yes                           | Yes                 | Assistance <sup>c</sup>                   | Yes, part of performance criteria |
| <b>Case Management Services</b> (including services to noncustodial parents, minor parents, pregnant women and those receiving retention services with an open W-2 case) | Not available                 | Sometimes           | Not Assistance                            | Yes, part of performance criteria |
| <b>Kinship Care</b> (for children living with a non-legally responsible relative, such as a grandmother or aunt)   | Yes, known as child-only case | No                  | Assistance but no time limit or work req. | No <sup>d</sup>                   |
| <b>SSI Caretaker Supplement</b> (for children whose parents are receiving SSI)   | Yes, known as child-only case | No                  | Assistance but no time limit or work req. | No <sup>d</sup>                   |
| <b>Child Care Assistance</b> for parents not receiving a W-2 cash grant  | No                            | No                  | Not assistance                            | Yes                               |
| <b>Food Stamps</b> eligibility and benefits determination for nonelderly and nondisabled   | No                            | No                  | Not TANF funded                           | Yes                               |
| <b>Food Stamps Employment and Training</b> (FSET) program (work program for non-exempt Food Stamp cases)   | No                            | No                  | Not TANF funded                           | Yes, part of performance criteria |
| <b>Medicaid</b> eligibility and benefits determination for nonelderly and nondisabled  | No                            | No                  | Not TANF funded                           | Yes                               |
| <b>Transportation Assistance</b> for parents not receiving a W-2 cash grant  | No                            | No                  | Not assistance                            | Yes                               |
| <b>Job Center</b> services accessed by those not receiving a W-2 cash grant  | No                            | No                  | Not Assistance                            | Yes                               |
| <b>Ad Hoc Case Management</b> for those without an open W-2 case, including former W-2 participants who periodically return for specific services                        | No                            | No                  | Not Assistance                            | Yes                               |
| <b>Global Services</b> for those without an open W-2 case but who benefit either directly or indirectly from W-2 agency projects -such as expanded bus routes            | No                            | No                  | Not Assistance                            | Yes                               |

<sup>a</sup> Cases considered receiving “assistance” under the TANF regulations are counted in the state’s TANF caseload and are subject to the work requirements, time limits, assignment of child support and data collection unless otherwise specified.

<sup>b</sup> Although W-2 agencies are responsible for providing a whole host of services to various clients, not all the services and clients are included in the contract performance criteria.

<sup>c</sup> There are a few instances in which these cases are not counted in as receiving “assistance”:

- if the case has been sanctioned to zero dollars due to nonparticipation, it is not counted in the TANF caseload but is still counted in the W-2 caseload
- cases in the Trial Job placement are not counted in the TANF caseload (this represents less than 1 percent of those in a W-2 placement)
- cases receiving a Caretaker of a Newborn grant that were not previously receiving a cash grant are not counted in the TANF caseload as this assistance is considered temporary (less than 4 months).

<sup>d</sup> The W-2 agency may be responsible for administering this program if it is also a County Human Services agency, although this responsibility is not part of the W-2 contract.

**Source:** *What Is a “Case” in Postreform Wisconsin?* Hudson Institute. March 2001.

W-2 agencies are also responsible, under their contracts, for determining eligibility for child care assistance. Like Food Stamps and Medicaid, child care assistance cases are tracked through CARES but are not included in the state's W-2 case counts.

**3. *New participants receive an expanded set of services:*** Within the W-2 program, Wisconsin created a new type of supportive service—case management. Case management is available to two groups of individuals: those who, although TANF-eligible, are not eligible for W-2 cash assistance because they are not an adult custodial parent; and those who are not eligible for W-2 cash assistance because they are already working fulltime or capable of working fulltime. For all those in case management, the services range from access to a case manager, to help with job search assistance and education and training programs, to money management classes and parenting classes.

Although agencies are making more of an effort to reach out to TANF eligible individuals who are not adult custodial parents, only a small percentage of the case management case counts represents low-income noncustodial parents, pregnant women, and minor parents. These individuals have an open W-2 case and are tracked in the CARES system but make up less than one percent of all W-2 noncash cases.

More common are case management services for those already working or ready to work. Most—about 75 percent—of those in case management are receiving follow-up services after moving off cash assistance into regular employment. The other 24 percent go straight onto case management because they are employed or ready for full-time employment when they apply for W-2. Since case management participants do not receive a grant, their participation is voluntary. Case management participants are not subject to time limits or work requirements, although they may have open W-2 cases in CARES. (As described in Section III, W-2 agencies reported that they also provided case management services to TANF-eligible individuals without an open W-2 case.)

W-2 agencies may also access unspent contract funding to provide Community Reinvestment (CR) programs to TANF-eligible families under 200 percent of poverty. CR programs range from customized training programs, to at-risk family support services, to individual development accounts. (See Appendix B.) W-2 agencies are required to report, on a quarterly basis, some basic counts of those served through CR programs, but the data are not entered into CARES.

Under their broad mission to help low-income parents connect and stay connected to the labor force, W-2 agencies operate within the Job Center network. Job Centers bring together otherwise disjointed employment services, funded and administered by a wide range of agencies, into one physical location. The biggest funding sources in Wisconsin's Job Centers are W-2, Vocational Rehabilitation and Title I of the Workforce Investment Act (WIA) which funds training programs for various target groups including, but not limited to, low-income parents.

Job Centers provide three levels of services: self-service, "lite" service, and individualized services. Those receiving individualized or specialized services (such as W-2 or vocational rehabilitation services) generally go through an eligibility process and are tracked through the relevant program's computer system, which may or may not be CARES. Individuals receiving self-service (such as access to JobNet, a statewide web-based employment database) and "lite" services (such as attending a workshop on résumé writing) do not necessarily have an open case and are not tracked through any statewide computer system.

Some of the larger Job Centers track everyone who accesses Job Center services, including the self-service and the "lite" services; others track only those who receive intensive services that often require a formal eligibility determination. As a result, many of the individuals served at the Job Center are not included in any official case counts. And because Job Centers are collaborative efforts, it is not always clear to which caseload these individuals should belong because they may be eligible for different funding sources.

W-2 agencies and Job Centers also operate several TANF-funded programs, targeted to low-income parents that are separate but related to the W-2 program. (See Table II-2 and Appendix B.) Two

programs—the Welfare to Work (WtW) program and the Workforce Attachment and Advancement (WAA) programs—are funded with TANF dollars and operate primarily out of the Job Centers. WtW provides job placement, training and postemployment support services to long-term TANF recipients and noncustodial parents of children receiving TANF assistance. WAA provides job retention and training services to improve the employment stability and advancement to higher wage levels of any low-income parents (under 200 percent of poverty), including noncustodial parents. Both programs have their own reporting requirements and are tracked through the CARES system. Case counts from these programs, however, are not included in the state’s W-2 case count.

The next two programs—Community Youth Grants and Literacy Grants—are funded with TANF dollars and are generally provided directly to service providers other than W-2 agencies. Community Youth Grants fund existing innovative programs or are used to develop and implement new programs to improve the social, academic, and employment skills of low-income youth from 5–18 years of age. Literacy Grants fund literacy programs for low-income parents and children. These programs have their own reporting requirements, are not tracked through CARES, and are not included in the state’s W-2 case counts.

**Table II-2: Major Employment Programs Serving Low-Income Working Families**

| <b>Program</b>                                 | <b>Funding from</b>                            | <b>Funding goes to</b>                                     | <b>Serves</b>  | <b>Provides</b>  | <b>Counts those</b>  |
|--|--|--|--|--|--|
| Temporary Assistance for Needy Families (TANF) | U.S. DHHS                                      | W-2 Agencies <sup>7</sup>                                  | Primarily low-income parents under 115% of poverty.  | Range of services to help parents find and keep employment   | Receiving a case grant; case management services (with an open W-2 case) in CARES. Caseloads reported to federal gov’t |
| Workforce Investment Act – Title I (WIA)       | U.S. DOL                                       | Primarily Workforce Development Boards (WDBs) <sup>8</sup> | Universal access. Local WDBs can set priorities for services. Top priority must be for low-income adults.  | Three levels of service: <ul style="list-style-type: none"> <li>• Core</li> <li>• Intensive</li> <li>• Training</li> </ul> | Receiving intensive or training services in WIMS system. Caseload reported to federal gov’t.                           |
| Welfare to Work (WtW)                          | U.S. DOL with TANF funding                     | WDB  | <ul style="list-style-type: none"> <li>• Long-term TANF recipients</li> <li>• Noncustodial parents</li> <li>• Kids aging out of foster care</li> </ul> | Employment assistance  | Receiving WtW assistance tracked in CARES. Caseloads reported to federal gov’t.  |
| Workforce Attachment and Advancement (WAA)     | Program specific to WI, funded with TANF funds | one track to WDBs the other track to W-2 Agencies          | <ul style="list-style-type: none"> <li>• Low-income families</li> <li>• Noncustodial parents with income below 200% of poverty</li> </ul>              | Assistance finding employment, remaining attached to the workforce and advancing to higher paying employment.              | Receiving WAA in CARES Caseloads not required to be reported to federal gov’t.   |

**Source:** *What Is a “Case” in Postreform Wisconsin?* Hudson Institute. March 2001.

<sup>7</sup>Other state and local agencies also receiving TANF funding.

<sup>8</sup>Formerly known as Private Industry Councils (PIC).

**4. Services offered to the original participant base have intensified and expanded:** W-2 seeks to fully engage those in the cash caseload in appropriate activities. The only participation exemption is for parents caring for a newborn, under age 12 weeks; such individuals currently make up about 14 percent of cash cases. As a result, at any given time, a full 86 percent of cash cases are subject to a work requirement. As will be discussed in Section III, engaging this 86 percent is not an easy task. In order to serve all those receiving cash assistance—including parents with the greatest barriers to employment—Wisconsin intensified and expanded the services already provided.

Wisconsin has done quite well in engaging its cash cases compared to other states. (See Table II-3.) In a recent report to Congress, the U.S. Department of Health and Human Services states that the national TANF participation rate is 42 percent and the participation rate in Wisconsin is 87 percent. The only other state with a higher participation rate is Montana, which puts 89 percent of its cases in job search.

All W-2 cash assistance cases are tracked in CARES and reported to the federal government. The term “welfare caseload” most commonly refers to these cash assistance cases.

**Table II-3: TANF Participation Rates for the US and Wisconsin**

| <b>Activity*</b>                                  | <b>National Percentage</b> | <b>Wisconsin Percentage</b> | <b>States and Territories with higher participation rates than Wisconsin</b>   |
|---|----------------------------|-----------------------------|--|
| <b>Total adults participating in any activity</b> | 41.9%                      | 87.4%                       | Montana at 90.5% but most adults are in job search (89.4%)   |
| <b>Unsubsidized Employment</b>                    | 27.7%                      | 28.9%                       | 11 states had higher participation but WI is the only state without an income disregard  |
| <b>Work Experience</b>                            | 3.7%                       | 64.1%                       | None   |
| <b>Job Search</b>                                 | 5.9%                       | 37.5%                       | Montana at 89.4%   |
| <b>Community Service</b>                          | 1.5%                       | 10.7%                       | Guam at 13.2% and South Dakota at 32.2%  |
| <b>Job Skills Training</b>                        | 0.9%                       | 34.7%                       | None   |
| <b>Vocational Education**</b>                     | 3%                         | 0%                          | 51, but most states had low percentage with the exception of Colorado (11%) and Idaho (21.5%)  |
| <b>Satisfactory School** Attendance</b>           | 1.4%                       | 0%                          | 47 states, but most states had low percentage with 3 having over 10 percent (Nebraska, Tennessee, and Virgin Islands)                        |
| <b>Total Hours spent in activities</b>            | 28 hours                   | 34 hours                    | Alabama also had 34 hours, but with a low overall participation rate and Tennessee had 36.1 hours with most spent in unsubsidized employment |

\* Does not include subsidized private employment, subsidized public employment, on-the-job-training, education related to employment, and providing child care assistance because national as well as Wisconsin’s level participation was low (no state over 6%)

\*\*Wisconsin is currently showing counts in the “Vocational Education” and “Satisfactory School Attendance” groupings. When the report was done, the codes for vocational rehabilitation and satisfactory school attendance were deactivated, making it seem that no one was participating in these activities.

Source: *What Is a “Case” in Postreform Wisconsin?* Hudson Institute. March 2001. Data from US Department of Health and Human Services. *2000 TANF Report to Congress*. U.S. DHHS, Administration for Children and Families, Washington, DC. (Tables 3.3.C and 3.4)



#### D. Caseload Change: A Historical Comparison

Although the state does not have data on all the families served with TANF funds (see Figures I-1 and II-1), it is useful to look at the data that is available. I compared the total case counts for AFDC/W-2 (including case management), child care, Food Stamp and Medicaid family cases, and as well as the unduplicated case count (which counts cases receiving multiple services only once) for all these programs from April 1995 to April 2000. (See Table II-4.)

In the total case counts, the most dramatic drop was for cash assistance. In the five years examined, these cases declined 89 percent. The largest increase was in the scope and type of case management services.<sup>9</sup> If the cases receiving other TANF-funded case management—WtW, WAA, etc.—were included, the case management count would be even higher. Although the total monthly case count for W-2 cash assistance and case management is less than 10,000 cases, it is important to note that many more families receive W-2 assistance throughout the year. In 2000, for example, 27,791 families received either W-2 cash assistance or W-2 case management at some point in time. (A comparable number was not available for 1995.) From 1995 to 2000, the Food Stamp case counts also declined significantly (43 percent), while the case counts for the child-only cases and Medicaid stayed roughly the same or declined slightly.

| <b>Table II-4: Wisconsin Family Case Counts 1995 and 2000</b>  |                   |                   |                 |
|--|-------------------|-------------------|-----------------|
|  | <b>April 1995</b> | <b>April 2000</b> | <b>% change</b> |
| <b>Cash assistance (AFDC/W-2) cases*</b>   | 62,752            | 6,642             | -89%            |
| <b>NLRR/Kinship Care cases</b>   | 5,094             | 5,905             | +16%            |
| <b>C-supp (SSI parents) cases</b>  | 6,121             | 5,648             | -8%             |
| <b>Case management cases</b>   | 0                 | 4,032             |                 |
| <b>Family Food Stamps cases**</b>  | 78,904            | 44,863            | -43%            |
| <b>Family Medicaid cases**</b>   | 111,170           | 101,991           | -8%             |
| <b>Child Care cases***</b>   | 9,844             | 18,784            | +91%            |
| <b>Total duplicated case counts</b>  | 273,885           | 187,875           | -31%            |
| <b>Total unduplicated case count****</b>   | 118,595           | 114,725           | -3%             |
| Source: <i>What Is a "Case" in Postreform Wisconsin?</i> Hudson Institute. March 2001.<br>*The cash assistance cases for 1995 as well as 2000 do not include the child-only cases.<br>**The Food Stamp and Medicaid family case counts were estimated by including only the cases with an eligible child.<br>***This is a DWD estimate for 1996. No earlier numbers are available. Because it is an estimate, I was not able to include child care in the 1995 unduplicated case counts. It is unlikely that including child care would increase the unduplicated count because relatively few cases received child care assistance only. The number of cases receiving only child care assistance in 2000 was 2,895.<br>****The 1995 total includes the child-only cases (now served by the Kinship Care and SSI C-Supp programs). If these cases were included in 2000, it is unlikely they would increase the total number of unduplicated cases because most Kinship Care and C-Supp children are also receiving Medicaid. |                   |                   |                 |

<sup>9</sup>It is possible that the working parents receiving case management services today would have received a reduced AFDC check five years ago. AFDC limited case management services to those on cash assistance, but it disregarded a portion of earned income so that families could combine their earnings with a welfare check. Although W-2 participants can receive a partial check while working, this is not a common practice.

Despite the declines in cash assistance and food stamps, the total number of cases receiving any of these services declined by only 3 percent from 1995 to 2000. Although the total number of cases did not change much over this time period, the mix of services did. (See Figures II-2 and II-3.) The percent of cases receiving W-2/AFDC and Medicaid and/or Food Stamps dropped from 62 percent to just less than 10 percent, while the percent of those receiving only Medicaid and/or food stamps increased from 38 percent to 90.5 percent. These numbers seem to indicate the increased importance of supportive services to working parents (or at least parents not receiving cash assistance).

Figure II-4 provides a closer look at the unduplicated case count in April 2000. This pie chart estimates the total unduplicated case counts for all nonelderly and nondisabled cases receiving W-2, child care assistance, Medicaid, and food stamps (including nonelderly nondisabled Food Stamp recipients without children who may be eligible for FSET). Those receiving Medicaid only (including BadgerCare) make up over half of all those receiving assistance. The percentage of cases receiving child care assistance is almost double the percentage of cases receiving W-2.

The types of families receiving supportive services also changed from 1995 to 2000. Part of this change is explained by expansion in eligibility criteria. Wisconsin expanded eligibility for both Medicaid (through BadgerCare) and child care assistance to include more working parents. Without these expansions in eligibility, the total unduplicated case count would most likely have fallen more dramatically. Yet, the Food Stamp program, which did not change its eligibility criteria during this time, also saw an increase in the percentage of families with earnings. In August 2000, 53 percent of families receiving food stamps had a working adult compared to 33 percent in August 1995. (See Figure II-5.) In addition, those who were working in 2000 earned more than those who were working in 1995. In 1995, most families with earnings earned less than \$1,000 in a given month, whereas families with earnings in 2000 were more likely to earn more than \$1,000 in a given month.

Historical comparisons of child care assistance are difficult because case records were not kept before automation of the child care system in 1997. The earliest data available are the estimates of the child care assistance case count in 1996 prepared by DWD. In 1996, roughly 9,844 families received child care assistance (16,684 children) with an additional 9,693 families on the waiting list.<sup>10</sup> By 2000, the total number of families receiving child care assistance jumped to 18,794 (32,825 children) with no families on the waiting list. (The child care assistance case count has continued to grow. In December 2000, the latest month available, the number of families receiving child care subsidies was 23,362.)

All the changes described above are also evident in how Wisconsin spends its money. In a comparison of state and federal funding for 1996—the year before W-2 implementation—and 2000, it is clear that Wisconsin has shifted away from cash assistance. (See Figures II-6 and II-7.) Whereas Wisconsin spent over two-thirds of its total funding on cash assistance in 1996, in 2000, the state spent just 16 percent on cash assistance and focused the remainder on child care assistance and tax transfers as well as workforce development services and services aimed at increasing family stability.

### **III. W-2 AGENCY WORKLOAD**

This section takes a closer look at how the workload for W-2 agencies has changed since the implementation of W-2. Agency workload is grouped into three broad categories: working with those on cash assistance; working with those off cash assistance, and non-case-specific activities.

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<sup>10</sup>The waiting list figure comes from a May 15, 1997 report on waiting lists. It's important to note that the waiting lists fluctuated over time with a low of 4,899 in March 1995 to a high of 13,688 in September 1993. In March 1997, Wisconsin was the first state to completely eliminate its child care waiting lists with substantial funding increases for child care subsidies.

### A. *Cash Assistance Cases: Pre-employment Services*

Although the number of cash assistance cases has declined 89 percent since 1995, there has been no corresponding decline in the workload because Wisconsin has changed the way agencies address their cash cases. The new approach is called “full engagement,” and it has two important ingredients: (1) working with the full cash caseload, (2) “engaging” rather than serving participants.

The first ingredient of full engagement is working with *all* families receiving cash assistance. The JOBS program allowed states to “cream” by working with the most employable AFDC recipients and exempting the least employable. Although Wisconsin steadily expanded the number of AFDC recipients served by JOBS through a series of welfare demonstrations in the early 1990s, federal funding limitations and AFDC rules and administration hampered these efforts. Funding and policy limitations were eliminated, however, when the TANF block grant shifted such decisions to the states. With the authority granted in TANF, Wisconsin could implement its W-2 program as designed—eliminating all the old JOBS exemptions. As described earlier, Wisconsin engages 87 percent of the W-2 cash caseload in TANF-approved work activities. The remaining 13 percent most likely consists of parents caring for an infant under 12 weeks of age; that activity—caring for a child—is not counted under the federal participation requirements.

The second ingredient of full engagement is the idea of “engaging” those receiving cash assistance. “Engaging” the cash caseload is a different kind of mandate than the JOBS requirement of providing services to nonexempt AFDC recipients. Engagement requires local agencies to work closely with W-2 participants and their families to identify and attempt to resolve issues preventing the parent from gaining and maintaining employment. In fact, on average, agencies are spending much more time per case than they did under AFDC. The caseworker-to-participant ratio illustrates this change. Under AFDC one caseworker could be responsible for up to 350 AFDC recipients. Under W-2, the caseworker-to-cash participant ratio cannot exceed 55, and some caseworkers may have fewer cases if they work with participants with special challenges. This time investment up-front is often necessary to prepare participants for employment before they reach the state’s 24-month time limit on participation in Community Service Jobs or W-2 Transitions placements and the federal 5-year lifetime limit on all cash assistance.

In addition to spending more time per case, agencies are also branching into a wider range of activities. As shown on Figure II-1, the types of services provided to W-2 cash participants have expanded to include family-support services. An agency provider from a mid-sized county reports that her agency spent \$100,000 last year on mental health assessments, not including the costs of treatment itself. All of the agencies interviewed for this report link their services with the child welfare system. Mental health issues, coping with a troubled child, and coming to terms with current or past abuse are just some of the issues parents must face before they are ready to go to work.

According to the conventional wisdom of the day, the welfare caseload is *becoming* more challenged with more barriers to employment making those on assistance today less able to work than those on assistance in the past. To deal with this assumed shift, some researchers and advocates assert that W-2 needs to change its focus by de-emphasizing employment. There is no evidence, however, that W-2 has unearthed a new kind of welfare recipient. Most likely, the same types of people who applied for cash assistance under AFDC apply for cash assistance under W-2. But unlike AFDC, W-2 requires that agencies work with the hardest to serve and work with them closely.

Although a small minority of the hardest to serve cases may need a longer-term employment approach, agencies believe that most new cash assistance applicants are appropriate for the current W-2 structure of employment-focused activities, even if some nontraditional interventions may be needed. Yet determining who is appropriate for a long-term employment approach and who is appropriate for a short-term approach can be difficult. Agencies warn against characterizing individuals at the outset on the basis of prescribed characteristics. Relying on personal characteristics such as education level, work history, or domestic

violence problems to predict success can be misleading. Two people with the same identified barriers to employment may have two different ways of coping with their problems and, as a result, two different outcomes.

To identify and address those who need a longer-term approach, agencies are employing an intensive case management strategy, which requires even more time than the average W-2 cash participant. Moreover, a small minority of cases may be stuck between the SSI system and the W-2 system. The application process for SSI is cumbersome and sometimes takes more than two years to complete. Some individuals may not meet the narrow criteria for SSI yet appear unable to work fulltime in the foreseeable future. Reconciling the limitations of these participants and the temporary nature of W-2 is becoming an issue as these families reach the 24-month time limit. (These issues are discussed in the white paper, “Wisconsin Works: Meeting the Needs of Harder to Serve Participants,” by Kelly Mikelson.)

### ***B. Case Management Cases: Postemployment Services***

Wisconsin’s strong economy means that employers are taking chances on low-income workers who might have been passed over a few years ago. “Our people are finally valuable,” said one agency provider. Finding employment, nonetheless, does not guarantee keeping employment. Agencies are finding that a job is not the finish line but the first of many hurdles for their participants. And as the white paper on retention and advancement strategies argues, the next stage of reform in Wisconsin will likely include a more comprehensive approach to securing job stability and advancement for all low-income workers. (See “Work Stability and Advancement: The Next Stage of Welfare Reform” by Tom Corbett and Rachel Weber.)

For some former participants staying in the workforce may be as difficult as quitting drinking is for an alcoholic, according to one Milwaukee provider. The societal pressures to stay in the old lifestyle can be overwhelming. Sometimes parents have to change friends to ones that support their new lifestyle, or domestic violence occurs because a partner is threatened by the former participant’s newfound independence, or the children may act out to regain mom’s full attention. Without a positive support system, these pressures may be too much for some newly employed former W-2 participants.

Agencies are therefore finding the movement into permanent employment is not linear. Parents often move on and off assistance and in and out of W-2 placements as new issues arise or old ones resurface. To identify issues early, agencies do not wait for participants to come to them; nor do they rely on an assembly-line approach to services. In fact, most agencies no longer practice the philosophy of “light touch,” in which only the services that participants ask for and need are provided. Instead, they have shifted from a process of “light touch”, which dominated the pre-W-2 landscape, to more intensive case management for those receiving both pre-employment and postemployment services. According to the agencies, W-2 services begin early with prevention and end late with retention.

As with cash assistance cases, the range of services for low-income working parents is expanding. Some services are the traditional ones (signing families up for food stamps or child care assistance), other services are nontraditional (identifying and dealing with family issues, connecting the parent to a support group for new workers, dealing with a problem child).

According to W-2 agencies, many of the services provided to working parents are not captured in the W-2 caseload. Some parents have an open W-2 case management case; others do not. This variation is in part the result of policies set by DWD and in part the result of varying W-2 agency practices. DWD requires that W-2 agencies serve and track former W-2 cash participants who have moved into employment for at least six months, during which the W-2 case remains open in CARES. After six months, W-2 agencies have the discretion to keep the case open if they are still serving the family. Some agencies do so but others routinely close their cases.

In addition to those who recently left, many W-2 “alumni,” as one provider calls them, who have been off assistance for more than six months come back periodically for additional services such as help with transportation or with their employer. Most agencies interviewed for this report do not reopen cases for these relatively minor and irregular interactions.

It is also common for an agency to provide services above and beyond those anticipated for a given program. A participant may have an open case for food stamps, Medicaid, or child care assistance and also receive case management services. As Section II-D demonstrated, more parents receiving food stamps are also working. This not only increases the complexities of the Food Stamp case but also adds to the workload of the W-2 agency that may provide ad hoc employment services. While the case is technically counted as a Food Stamp, Medicaid or child care assistance case, the services provided with TANF funding to working parents who are not officially on the W-2 or FSET caseloads are not captured in the workload records. Again, these practices vary by agency.

As discussed in Section II, case management services may also be provided within the context of another related but separate program such as WtW, WAA, or the Job Center in general. W-2 agencies are at least partially responsible for administering these programs, but the workload associated with these programs is not included in the total W-2 or TANF caseload. The same is true for Community Reinvestment programs, Community Youth Grants, and Literacy Grants.

### **C. *Non-case-specific Activities***

In addition to cash cases that take up more time and noncash cases that often are not counted, W-2 agencies also have a substantial workload that is related to general activities. These activities are described below.

***Working with Employers.*** W-2 agencies spend significant time working directly with employers—identifying employment openings, placing W-2 recipients into jobs, and providing job coaching and tailored training. More and more employers are turning to W-2 agencies and the Job Centers as a resource.

***Staff Training.*** Agencies report that training takes up a large percentage of staff time. Staff roles under W-2 have expanded significantly. Under AFDC, caseworkers were evaluated by how well they collected eligibility information, but W-2 caseworkers are evaluated by how well they help parents move into employment. In addition to knowing the rules of the transactional programs like Food Stamps, Medicaid, and child care assistance, caseworkers also have to know W-2 policy, which has fewer hard and fast rules. Because W-2 has so much built-in discretion, the competence of the caseworkers is extremely important to the success of the program. To prepare caseworkers for these responsibilities, DWD requires new worker training as well as continuous training and skill building. In addition to the DWD requirements, some agencies have their own training programs to ensure that caseworkers know agency policy and procedures. Smaller counties are particularly hard hit by the training requirements. Because their agencies are not large enough to have specialized caseworkers, their staff have to be well versed in a broad range of programs.

***Curriculum.*** To fully engage their entire caseload, agencies need to provide a range of classes to their participants. Agencies can either purchase curricula for these classes or develop it in house.

***Navigating Funding Streams.*** Another issue that disproportionately affects smaller agencies is the expanding number of programs for specific subgroups, with their own eligibility and reporting requirements. Agencies that are large enough often have staff dedicated to a specific program like Welfare to Work. The smaller agencies cannot afford this.

***Marketing.*** Despite the menu of services available at W-2 agencies and Job Centers, W-2 agency administrators reported that the stigma of welfare receipt discourages some families from requesting assistance. One administrator told of a working mom who came into the agency for BadgerCare. When

she got her Medicaid card, she was very upset. She did not want Medicaid; she wanted BadgerCare. Although some agencies feel that the stigma is slowly lifting, others see a long road ahead. To combat this stigma, W-2 agencies are marketing the Job Center services to the low-income families in their area.

**Public Relations and Community Contacts.** Agencies also market their services to employers and community groups to educate these organizations on the services available at the W-2 agency. Some larger agencies have a “community resource specialist,” whose job it is to understand the resources available in the community.

**Resource Development.** In addition to helping clients with direct services, many agencies also work with community leaders to address barriers to employment that affect whole groups of people. For example, providing bus passes to individuals is a direct service, whereas working with the local transit authority to extend bus lines into low-income neighborhoods is a community approach. In the process of helping W-2 families, these projects also help the community at large.

**Anticipating the Next Issue.** Under AFDC, service providers were primarily reactionary. They did not act until a family applied for assistance, triggering a set of processes. Today, W-2 agencies are more dynamic. Because they are evaluated by outcomes, successful agencies anticipate changes in the workforce and plan ahead for them. This type of activity, however, is not easily quantified.

#### IV. CONCLUSION: COUNTING THE WORKLOAD THROUGH THE CASELOAD

Wisconsin’s approach to welfare reform was intended to be dynamic and much has changed since the implementation of W-2 in 1997. Fewer families are receiving cash assistance, more single parents in the state are working and the poverty rate for single-parent families has declined.<sup>11</sup> All in all, Wisconsin has been quite successful in the first phase of reform. In sum, Wisconsin has transformed its primary public assistance program for poor families with children from an income support “program” to a work support “system” by expanding both the types of services provided and the types of families served. These changes, however, have come through a series of TANF-funded programs governed by different rules and reporting requirements and operating somewhat independent of each other. Because these programs are not implemented as a unified workforce strategy, they can overlap needlessly and present opportunities for gaps in services. But before Wisconsin can create a more coherent and integrated workforce strategy, it must first be able to articulate where it has been. To tell its story, Wisconsin needs a new definition of caseload.

##### A. *How to Reconcile Caseload with Workload*

Below, I identify three steps to reconciling caseload with workload: (1) determining the target population for services; (2) determining whom to count; and (3) determining how to count them.

**1. Target Population:** Defining the target population requires that the goals of the state’s workforce strategy be confirmed. Some of the questions to be considered are: For whom will the agencies be responsible? Are they responsible for running a set of programs (each with its own eligibility criteria) as is the case now, or are they responsible for improving the overall employability of the low-income community in their area drawing on a set of programs? How we define the target population is important because it affects how we judge contract performance.

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<sup>11</sup> See Sheila Rafferty Zedlewski, *National Survey of America’s Families: Snapshots II (1999) - Family Economic Well-Being*, Urban Institute (2000).

When asked, most of the W-2 agencies interviewed for this report defined their target population as any parent under 200 percent of poverty; some agencies defined their potential caseload in even broader terms as “any family in crisis.” All agency representatives interviewed said that they first assess a situation to determine what services are needed—helping to pay for transportation, job leads, or cash assistance, for example. Then they figure out how to pay for those services—whether it is W-2 funds, county social services funds, Workforce Investment Act, WtW, WAA, or a charitable organization in the community.

Some agencies are torn between wanting more direction from the state concerning the target population yet not wanting any new restrictions on their flexibility. A broader definition of the target population necessitates greater flexibility, but also makes it more difficult to track performance. A more narrow definition of the target population may be easier to monitor but restricts local flexibility in dealing with issues as they arise. It is important to note that the target population may be large, but agencies need not offer the same level of services to everyone in that target population.

Welfare administrators in other Midwestern states provided similar responses. Their target populations ranged from people with incomes at or below 120 percent of poverty to people at 300 percent of poverty to the entire community, at least for certain services. Such services might, for example, include school readiness activities for children in a neighborhood where it would be difficult to provide services only to those under 200 percent of poverty. Several welfare administrators from neighboring states cited the third and fourth purposes of TANF as their “license to serve” a broader group of people through preventive programs. (See TANF Purposes on page 2.)

**2. Whom to Count:** Of all the questions, whom to count is the most straightforward. The simple answer is that the state should count everyone who is served. Yet even if everyone served is counted, the entire workload of the agencies will not be captured. Some of the activities described by the W-2 agencies are not captured in any of the caseloads included in Figure I-2. The non-case-specific workloads, such as staff training or working with employers, do not fall into any specific caseload estimate and probably never will. The fact that a portion of the workload is not captured in the caseload may not be bad. If agency contracts are focused on outcomes, DWD may not need to track the specifics of how agencies interact with employers, for example, except to evaluate whether these interactions result in jobs for low-income parents. Describing the extent of this non-case-specific workload, however, may be important in informing the state legislature and Congress on the use of TANF funds. W-2 agencies have become proactive members of their communities, and their overall workload reflects this change. Capturing that workload in some systematic way could help explain this important shift from a reactive agency to a proactive agency.

**3. How to Count Them:** Determining how to count families served is more difficult than simply deciding to count them in the first place. As mentioned above, different families receive different levels of services. Some receive more intensive on-going services such as cash assistance whereas others receive more one time, in-kind services such as help resolving an issue with an employer. Because the workload involved with these two examples is so different, it does not make sense to count the two families the same. One option is to group the services into different categories and then set information levels for each group. The Job Center terminology—self, “lite”, and intensive services—could be used or the state could come up with a different categorization.

In determining how to count families served, the state will need to decide what level of information it wants to collect for each grouping of families. W-2 agencies were wary of using CARES to track some of the broader programs. Agency concerns relate directly to the balance between collecting needed data and overburdening the staff and the participants with paperwork. As discussed in Section III, caseworkers already have extensive duties and adding an unnecessary administrative burden would be counterproductive. Perhaps more important, the new tracking system should not overburden the participant. Requiring a social security number and some basic demographics for self-service activities

would be counterproductive if it discourages those in need from using the Job Center services. State policymakers will have to determine how to get enough information without being intrusive.

***B. What a New Definition of Caseload Will Buy***

State policymakers anticipated that Wisconsin's primary program, W-2, would need to evolve to address new challenges as they emerge. Yet the evolution of this program and the state's workforce strategy in general can only be successful if key stakeholders support such changes. In order to support the changes, stakeholders need to understand them. As it stands today, Wisconsin's ability to tell its story is being limited by old terms and definitions that no longer apply to the new realities of service delivery. With a more accurate definition of caseload, DWD can tell the Wisconsin story to garner support for the next phase of welfare reform from the State Legislature, congressional leaders, the media, and the general public.



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**APPENDIX A: 8 PHILOSOPHICAL GOALS OF W-2**

1. For those who can work, only work should pay.
2. W-2 assumes everybody is able to work, or if not, at least capable of making a contribution to society through work activity within their abilities.
3. Families are society's way of nurturing and protecting children, and all policies must be judged in light of how well these policies strengthen and support the responsibility of both parents to care for their children.
4. The benchmark for determining the new system's fairness is by comparison with low-income families who work for a living, not by comparison with those receiving various government benefit packages.
5. There is no entitlement. The W-2 reward system is designed to reinforce behavior that leads to independence and self-sufficiency.
6. Individuals are part of various communities of people and places. W-2 operates in ways that enhance the way communities support individual efforts to achieve self-sufficiency.
7. The W-2 system provides only as much service as an eligible individual asks for or needs.
8. W-2's objectives are best achieved by working with the most effective providers and by relying on market and performance mechanisms.

## **Appendix B: Programs Beyond W-2**

In addition to W-2, local communities throughout the state have seven other major sources of funding for low-income working parents and specific groups otherwise not eligible for W-2—particularly noncustodial parents. (See Table II-2.) Not all of this funding, however, goes directly to the W-2 agency. Welfare to Work funding, as well as funding under the Workforce Investment Act and part of the funding for the Workforce Attachment and Advancement program go directly to the local Workforce Development Board. These boards—Wisconsin has 11—work with the local W-2 agencies as well as other service providers to coordinate services at the local Job Center. Funding for Community Youth Grants and Literacy Grants go directly to service providers, while Community Reinvestment programs are administered by the W-2 agencies.

### **1. Workforce Attachment and Advancement**

The Workforce Attachment and Advancement (WAA) program is a Wisconsin-specific program funded with TANF funds. WAA provides funding to W-2 agencies and Workforce Development Boards (WDBs) to develop innovative employment retention and advancement strategies for the TANF eligible population.

Through WAA, W-2 agencies and WDBs work collaboratively with employers, training providers, educational institutions, organized labor and other partners in the employment and training services delivery system to provide a variety of services tailored to the needs of their local communities. The primary objective of the program is to promote upward mobility through training that prepares persons for higher-paying employment.

The WAA funds serve the TANF-eligible population of low-income families under 200 percent of poverty and noncustodial parents of low-income children. In addition, the funds may be used to provide services to employers to assist with retention and advancement of the TANF-eligible population. Agencies receiving WAA funds are expected to seek extensive input from local stakeholders on what services will be provided under the program. While the local W-2 agency and WDB allocations are made in two separate funding tracks, services under the WAA will be delivered in an integrated manner.

### **2. Welfare to Work (WtW)**

Welfare to Work uses TANF funds, funneled through the U.S. Department of Labor to local Job Centers and providers, to provide job placement, training and postemployment support services to long-term TANF recipients and noncustodial parents of children receiving TANF assistance.

### **3. Workforce Investment Act – Title I (WIA)**

The Workforce Investment Act, signed into law August 1998, represented a national consensus to consolidate and coordinate all of the workforce preparation and development programs into a unified workforce investment system. The full array of employment, training and education-related training programs will be coordinated through a unified planning process, and services provided at the local level through a one-stop service delivery system. Although individual programs still retain their own service and funding requirements, those programs must also participate within the one-stop job centers and policy oversight entities.

WIA funding is administered by Wisconsin's 11 Workforce Development Boards, formerly the Private Industry Councils.

#### **4. Community Reinvestment**

Under the Wisconsin Works Implementation Contract, agencies may access unspent contract funding to provide Community Reinvestment (CR) activities to TANF eligible families under 200 percent of FPL with no asset test.

Agencies use CR funding to provide a broad array of nonmonetary services including: support for work activities, housing, transportation, education and training, child care, legal assistance, mental health services, AODA services, domestic abuse services, local telephone service, developmental and learning disabilities services, child welfare, family formation and pregnancy prevention activities, youth and employer services, and respite care. CR donations are made to clothing providers, food pantries, and other community resources aimed at improving job readiness, retention and advancement for TANF families. These activities do not duplicate services already available in the geographic region and will otherwise be provided in accordance with the TANF final regulations.

Examples of services provided using CR funding to enhance or supplement the family income or assets include programs such as: small business loans, Individual Development Accounts, job retention bonuses, job and school retention attendance bonuses, family development accounts, entrepreneurial programs, quick start loans, and other Community Reinvestment loans and grants.

#### **5. Community Youth Grants**

Community Youth Grants use TANF funds to provide services that improve the social, academic and employment skills of low-income, TANF-eligible youth, from 5–18 years of age, whose family income does not exceed 200 percent of the FPL. Community Youth Grants are used to expand existing innovative programs or develop and implement new approaches that address the specific needs of low income youth. The funding targets programs that allow the youth to participate in individual and group activities in a safe environment. Through these activities, the programs seek to improve social, academic and employment skills and strengthen relationships between youth and their parents, schools, and neighborhoods.

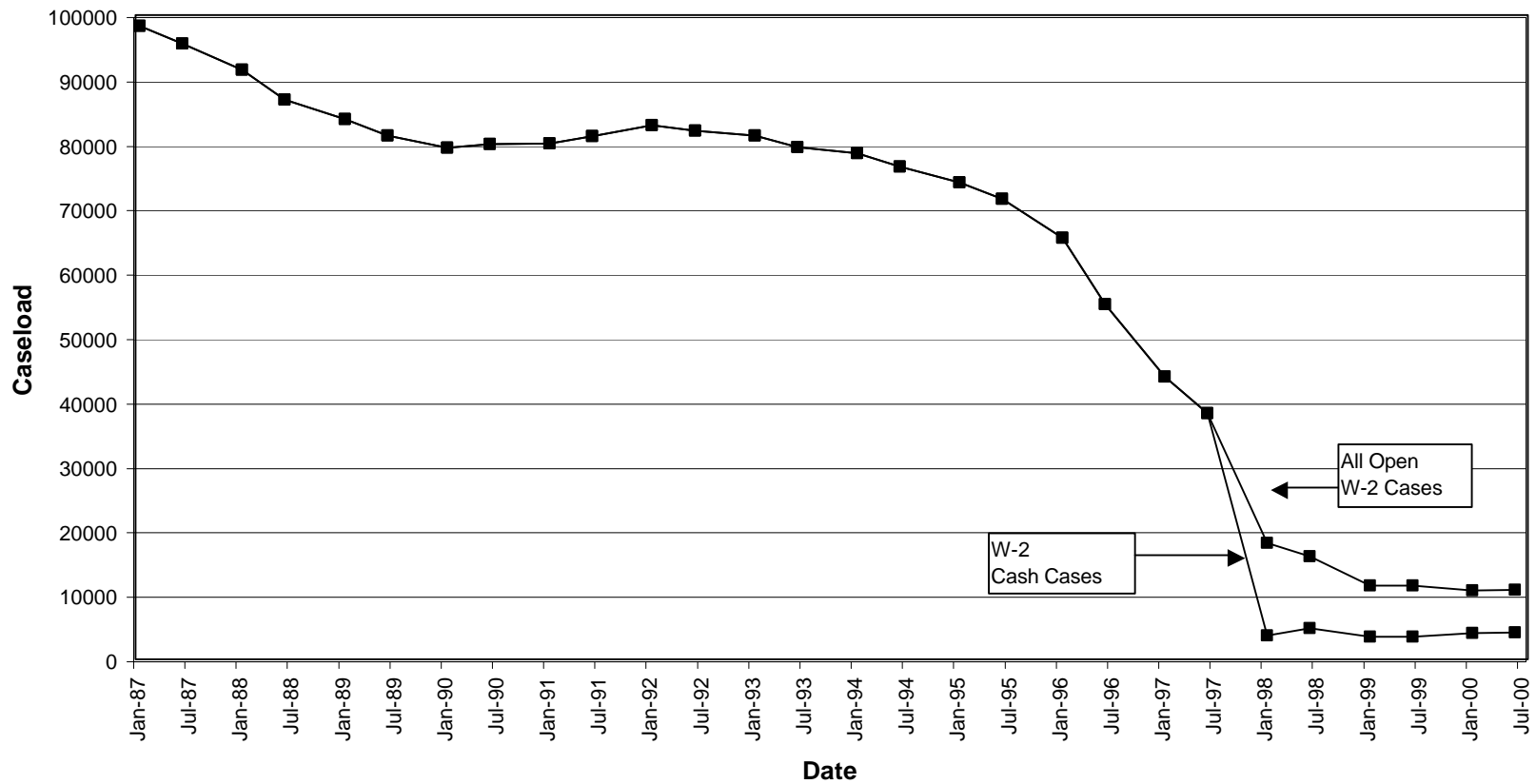
The grants are distributed to local agencies which administer programs in their neighborhoods or communities. Under Wisconsin statutes, seven organizations were targeted to receive Community Youth Grant funding. These include the Wisconsin chapters of the Boys and Girls Clubs of America, the Silver Spring Neighborhood Association, the Safe and Sound Initiative in Milwaukee, Wisconsin Good Samaritan Project, Inc., the Youth Leadership Academy, Inc. and United Community Center, the Milwaukee Passports for Youth Program, and New Concepts Self-Development Center.

In addition, 29 agencies received money through a competitive process. Some examples of the kinds of program activities that were allowed include counseling and youth development services, drop-out/truancy prevention strategies, gang violence prevention, academic remediation and advancement, career choices and counseling, AODA prevention, and parenting skills.

#### **6. Literacy Grants**

Illiteracy is one of the common barriers many of the individuals remaining in W-2 face. Literacy grants reinforce for W-2 participants and agencies the importance of literacy. These grants, administered in coordination with the Governor's Office of Literacy, provide services to TANF-eligible individuals and children at or under 200 percent of the FPL. Grants are provided directly to existing literacy providers for adult literacy services, workplace literacy services, and tutoring plan services for children. The literacy providers collaborate with the W-2 agency to ensure that services are provided to W-2 participants as needed. Once individuals are identified as likely to benefit from these services, the literacy providers offer one-on-one tutoring as well as small group instruction. The literacy providers work with participants to develop literacy goals and monitor progress and outcomes.

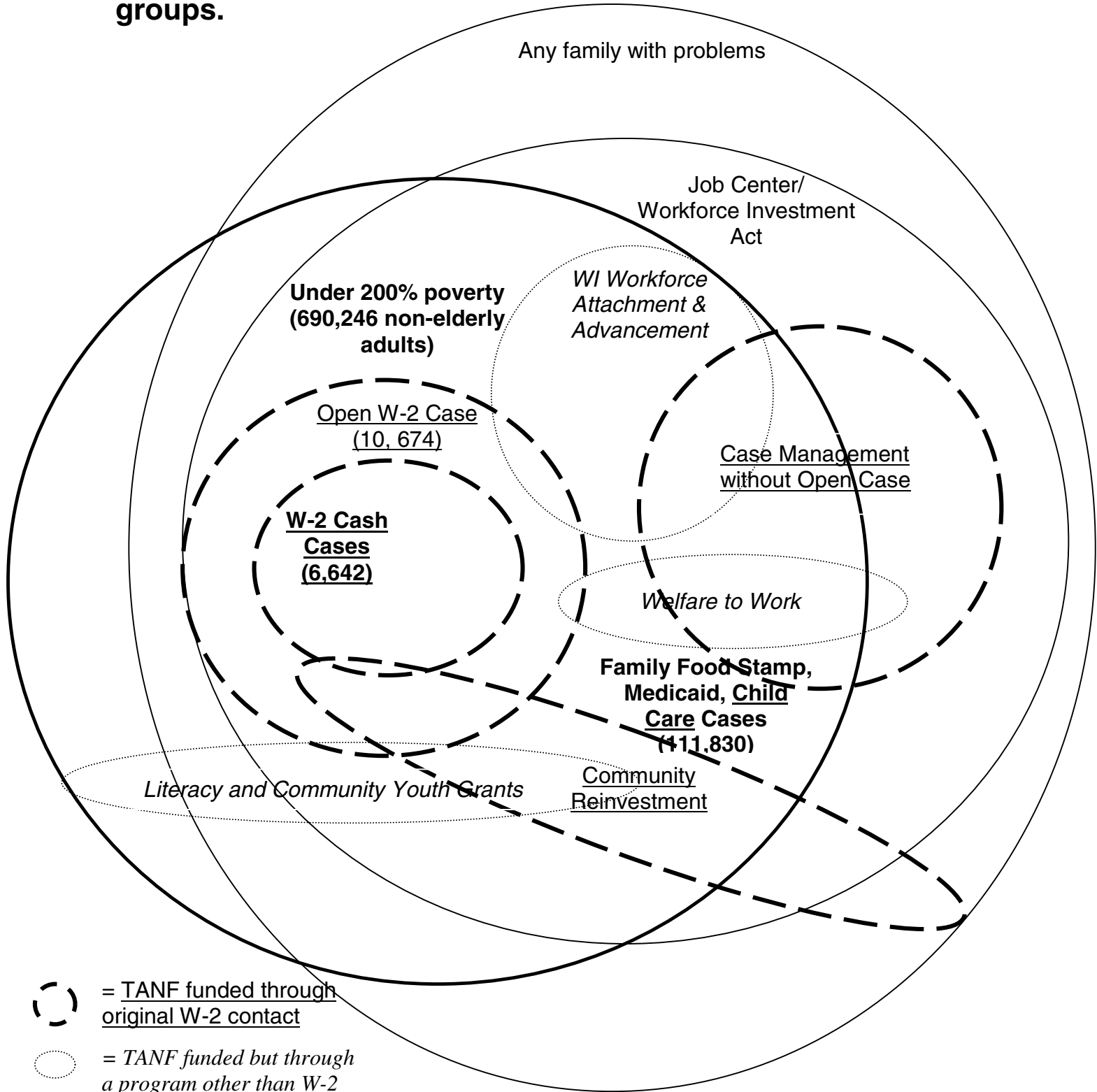
**Figure I-1**  
**AFDC/W-2 Statewide Caseload from 1987-2000**



Source: *What Is a "Case" in Postreform Wisconsin?* Hudson Institute. March 2001. Data from Department of Workforce Development.

Note: Caseload figures after July 1997 do not include the child-only cases. Roughly 11,000 cases are "child-only" and are served by the Kinship Care and SSI Caretaker Supplement programs.

**FIGURE I-2: Employment and Work Support Programs in Wisconsin: A visual comparison of programs and target groups.**



Note: All caseload numbers are from April 2000 with the exception of the 200 percent to poverty figure, which was estimated based on 1996 census data and the state poverty figures cited in "In Midst of Reform: Wisconsin in 1997."

Source: *What Is a "Case" in Postreform Wisconsin?* Hudson Institute. March 2001.

# Figure II-1: Expansion of Clients and Services Under TANF in Wisconsin

|                         |  | "Welfare" Clients       |                                     |                 |                                 | Work-Support Clients         |                       | Family-Support Clients      |                                 |                         |                           |
|-------------------------|--|-------------------------|-------------------------------------|-----------------|---------------------------------|------------------------------|-----------------------|-----------------------------|---------------------------------|-------------------------|---------------------------|
|                         |  | Parents on cash assist. | Pregnant Women & Minor Parents      | Leavers (6 mo.) | Parents at risk of cash assist. | Working parents w/emp issues | Non-custodial Parents | Child-only Cases            | Working parents w/family issues | Investments in Children | Neighborhoods/Communities |
| Welfare Services        | Cash grant   | 4                       | (cash grant under AFDC but not W-2) |                 |                                 |                              |                       | 1<br>(new programs created) |                                 |                         |                           |
|                         | Case management  |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Assessments  |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Basic Skills Soft Skills/ Motivational Training          |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Job skill development and work experience                |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Education  |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | HSD, ESAP, Literacy, ESL                                 |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Emergency Assistance                                     |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Child Support assistance                                 |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Medicaid   |                         | 2                                   |                 |                                 |                              |                       |                             |                                 |                         |                           |
| Work-Support Services   | Food Stamps  |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Child care subsidies                                     |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Job Access Loans   |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Transportation Assistance                                |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Retention & Advancement services                         |                         |                                     | 3               |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Job Center Services                                      |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
| Family-Support Services | WIA emp. & training                                      |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Domestic violence & past abuse                           |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | AODA and Mental Health                                   |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Housing Assistance                                       |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Addressing the illness of a family member                |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Parenting Classes and help dealing with a troubled child |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Learnfare  |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | At-risk youth services                                   |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Marriage Counseling                                      |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Child welfare  |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |
|                         | Intra-family violence prevention                         |                         |                                     |                 |                                 |                              |                       |                             |                                 |                         |                           |

Since implementation of W-2, Wisconsin has expanded both the types of services provided and the groups of participants served.

- 1

Some participants shifted to new programs
- 2

Some original services are extended to new groups of participants
- 3

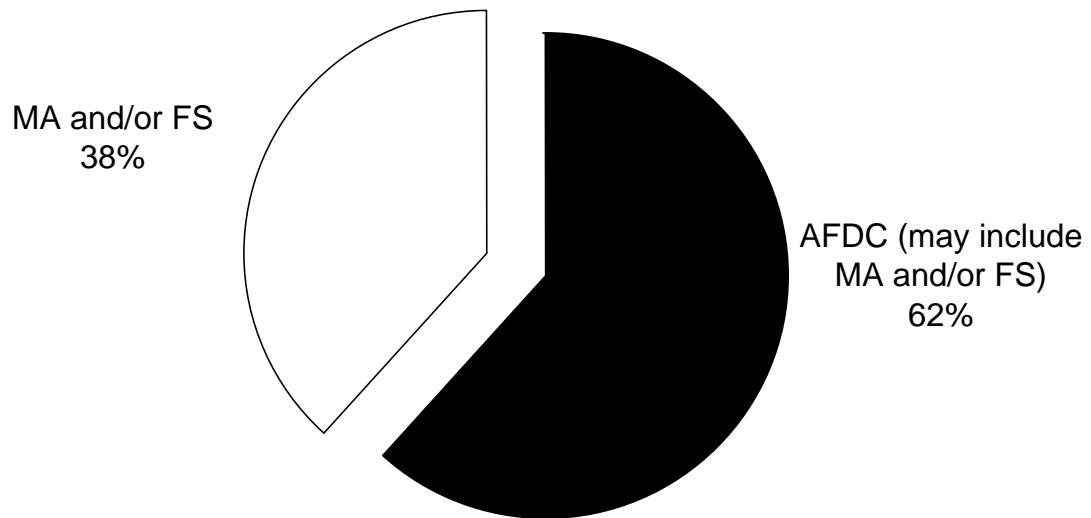
New services are provided to these new participants
- 4

The services offered to the original participant base have been intensified and expanded

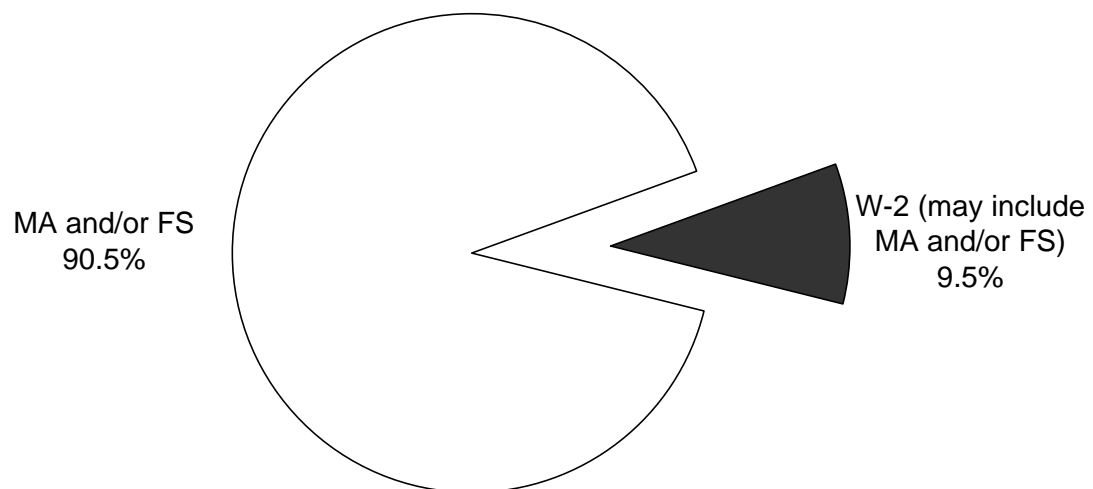
- AFDC
- Eligible but not always available under AFDC
- Initial expansion under W-2

Source: *What Is a "Case" in Postreform Wisconsin?* Hudson Institute. March 2001.

**Figure II-2: Unduplicated Family Case Counts  
for Medicaid, Food Stamps and AFDC  
April 1995 = 118,595**

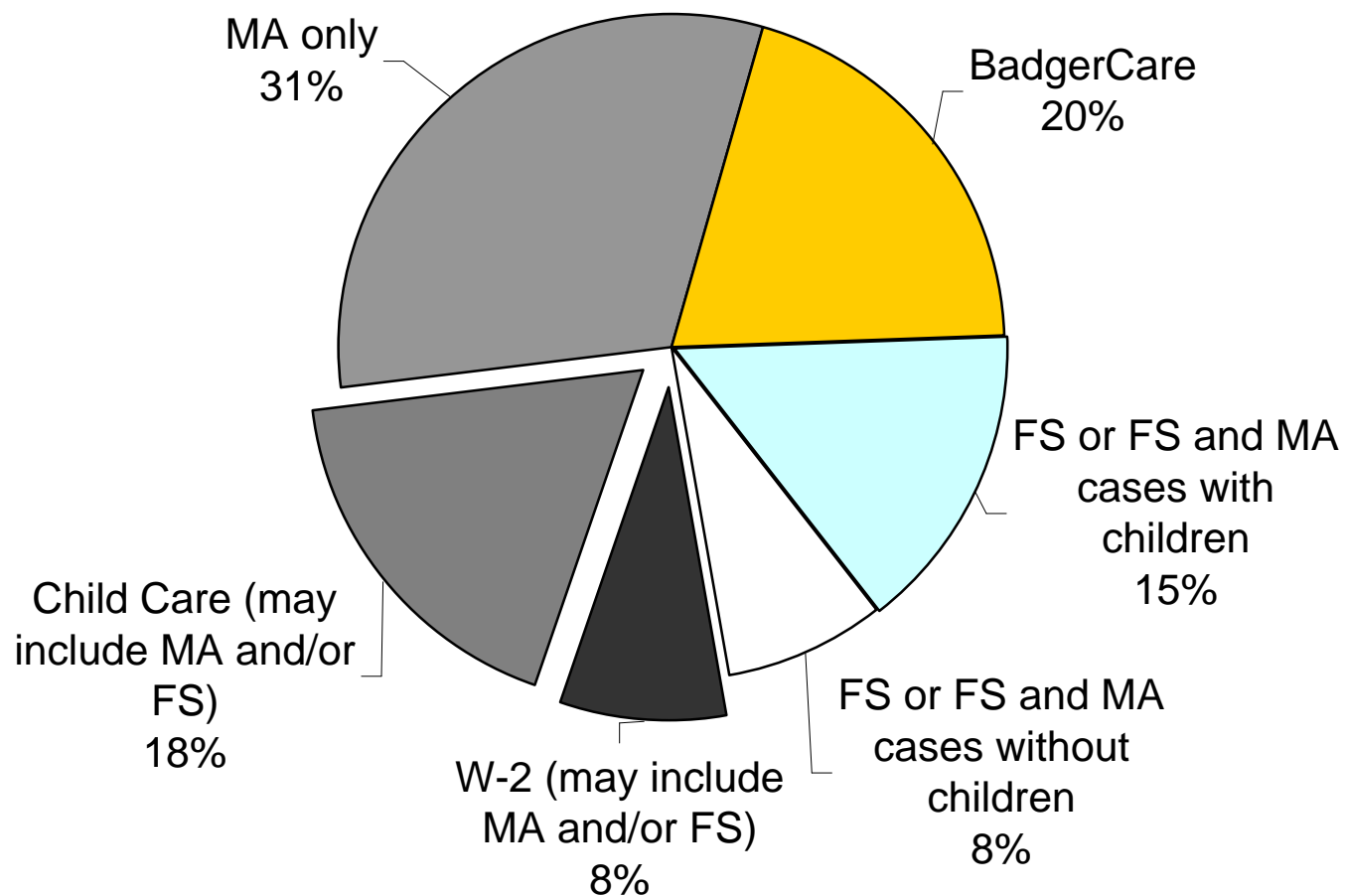


**Figure II-3: Unduplicated Family Case Counts  
for Medicaid, Food Stamps and W-2  
April 2000 = 111,830**



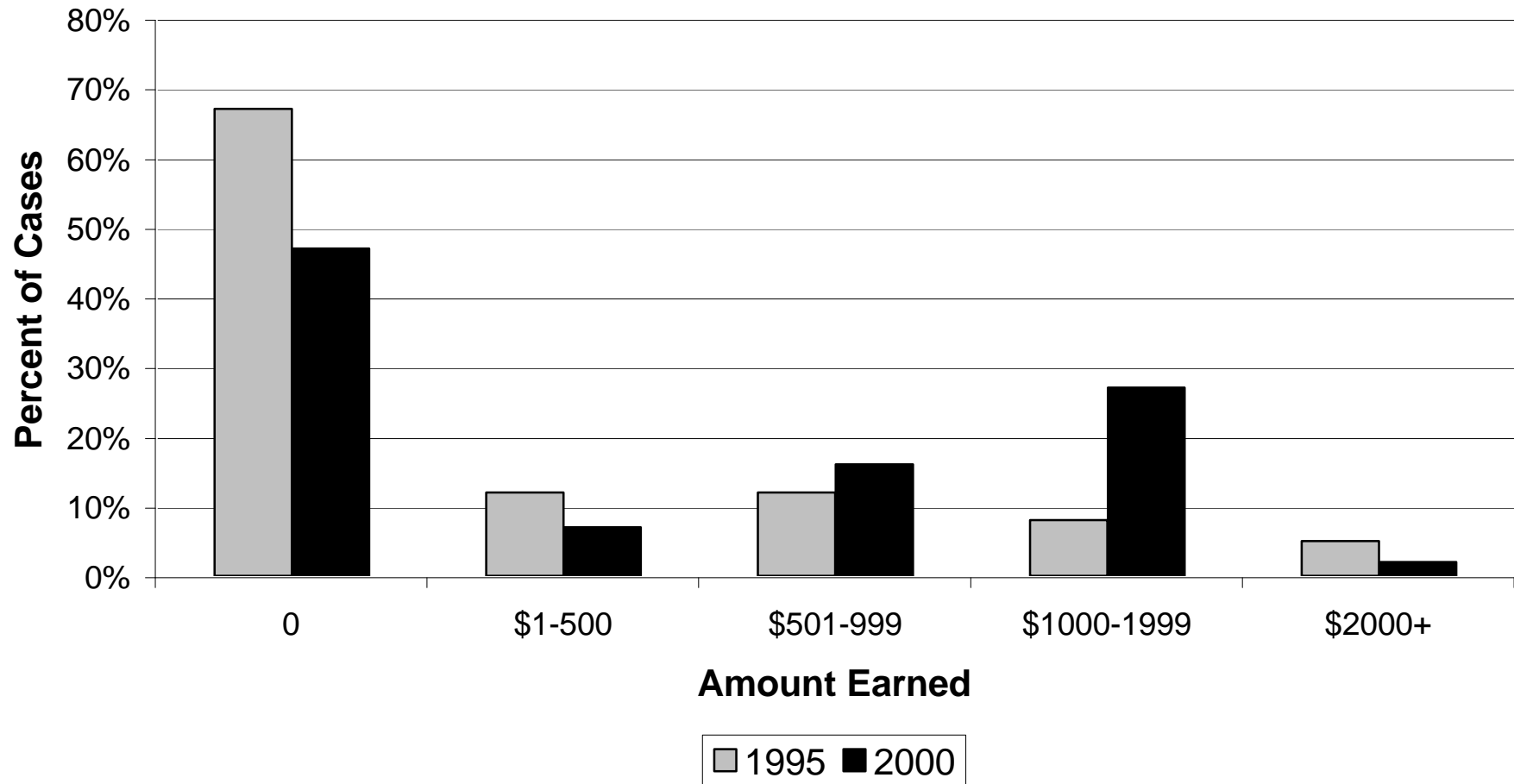


**Figure II-4: Total Estimated Nonelderly, Nondisabled Case Counts for  
W-2, Child Care, Medicaid and Food Stamps  
in April 2000**  
**Total Case Count = 113,777**



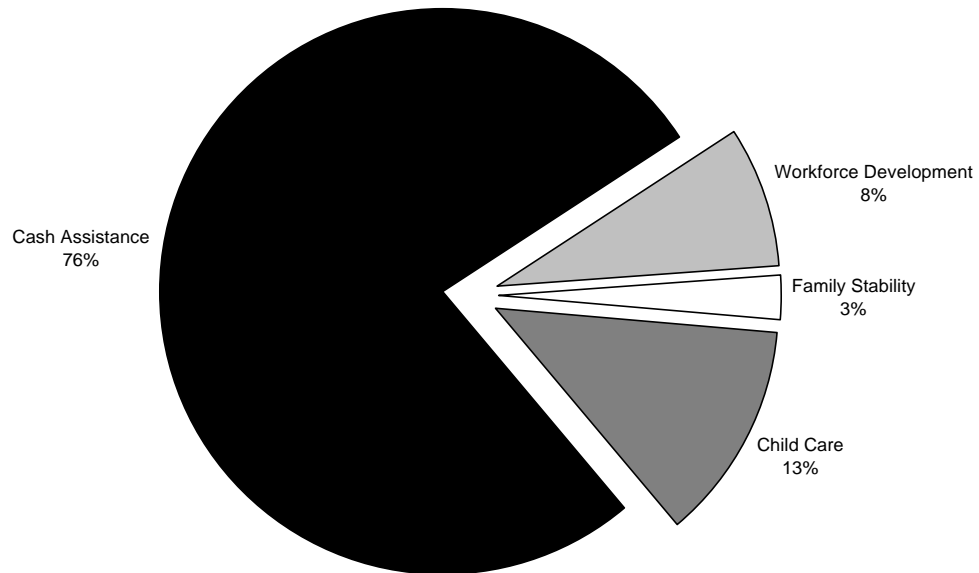
Source: *What Is a "Case" in Postreform Wisconsin?* Hudson Institute. March 2001.  
Data from the Department of Workforce Development.

**Figure II-5: Family Food Stamp Cases by Monthly Earnings  
August 1995 and August 2000**

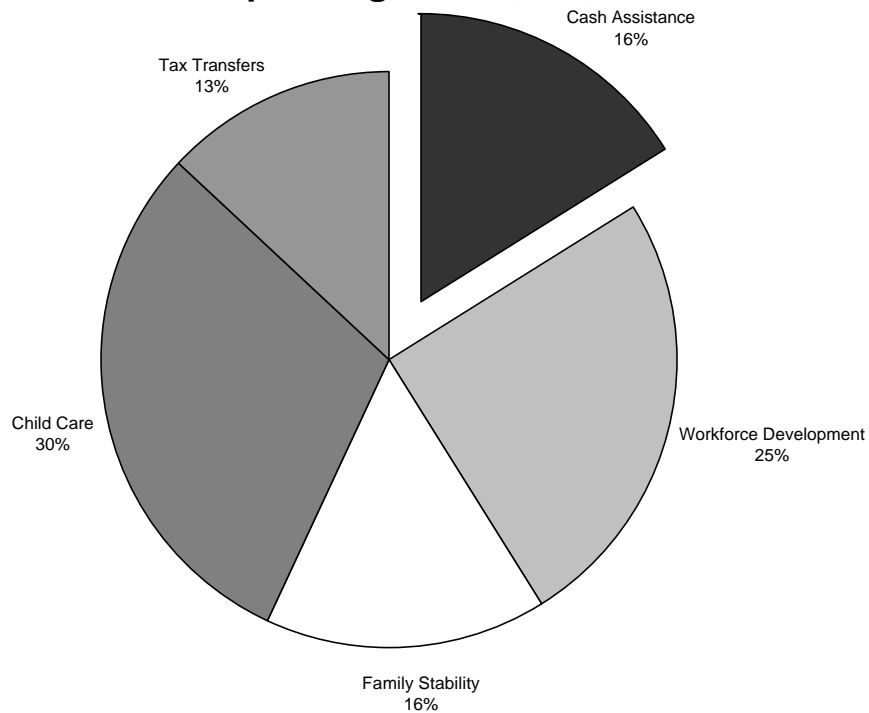


Source: *What Is a "Case" in Postreform Wisconsin?* Hudson Institute. March 2001.  
Data from the Department of Workforce Development.

**Figure II-6: Wisconsin's Welfare Expenditures for 1996**  
**Total Spending = \$399,806,233**



**Figure II-7: Wisconsin's Welfare Expenditures for 2000**  
**Total Spending = \$383,887,224**



Source: *What Is a "Case" in Postreform Wisconsin?* Hudson Institute. March 2001.  
Data from the Department of Workforce Development.